

**CITY OF SAN DIEGO
ETHICS COMMISSION**

Office of the Executive Director

MEMORANDUM

DATE: March 4, 2011 (updated March 17, 2011)

TO: Chair and Members of the San Diego Ethics Commission

FROM: Stacey Fulhorst, Executive Director

SUBJECT: Summary of Lobbying Activity in 2009 and 2010
Docketed for Ethics Commission meeting on March 10, 2011

In June of 2009, the Commission staff prepared a report summarizing the information disclosed by lobbyists during the 2008 calendar year (after extensive amendments to the City's lobbying laws went into effect on January 1, 2008). The staff has now had an opportunity to review registration forms and quarterly disclosure reports filed during 2009 and 2010, and has compiled the summary set forth below concerning lobbying and related activities during this period.

Registration

During the 2009 calendar year, 62 lobbying firms and 42 organization lobbyists registered a total of 439 individual lobbyists with the City Clerk.

During the 2010 calendar year, 75 lobbying firms and 49 organization lobbyists registered a total of 436 individual lobbyists with the City Clerk.

One of the primary deficiencies with the City's lobbying laws before the 2008 amendments was the fact that many firms and organizations did not meet the registration threshold and were therefore not required to disclose their lobbying and related activities. The effectiveness of the current laws is readily apparent when one considers that only 165 individual lobbyists were registered with the City Clerk in 2007 before the new laws went into effect. (There was no distinction in the City's laws between firms and organizations prior to January 1, 2008.)

Disclosure of Lobbying Activities

During 2009, lobbying firms reported receiving a total of \$3,566,053 from their clients, and organization lobbyists reported making a total of 3,438 lobbying contacts with high-level City Officials. A breakdown by calendar quarter is as follows:

<u>2009 Calendar Quarter</u>	<u>Amount Earned by Firms</u>	<u>Contacts by Organizations</u>
January – March	\$886,524	960
April – June	\$811,312	954
July – September	\$935,551	826
October – December	\$932,666	698

During 2010, lobbying firms reported receiving a total of \$3,897,797 from their clients, and organization lobbyists reported making a total of 2,842 lobbying contacts with high-level City Officials. A quarterly breakdown is as follows:

<u>2010 Calendar Quarter</u>	<u>Amount Earned by Firms</u>	<u>Contacts by Organizations</u>
January – March	\$ 850,575	673
April – June	\$ 878,450	902
July – September	\$1,019,188	745
October – December	\$1,149,584	522

It is relevant to note that lobbyists were not required to disclose specific information regarding amounts earned for lobbying or number of lobbying contacts under the previous laws.

Disclosure of Campaign-Related Activities

Prior to the overhaul of the City's lobbying laws, registered lobbyists were not required to include any information concerning campaign-related activities on their disclosure reports. Because an appearance of undue influence can be created when a lobbyist gives a contribution or holds a fundraiser for an officeholder the lobbyist is attempting to influence, the Commission recommended that lobbyists disclose their campaign activities in order to ensure transparency in the lobbying process.

Staff's review of the quarterly disclosure reports filed during the 2009 calendar year reveals that lobbyist-related campaign contributions to City candidates and officeholders totaled \$41,635. In addition, lobbying firms and organization lobbyists reported \$90,806 in fundraising activities for City candidates and elected officeholders. A breakdown of lobbyist campaign activity by quarter is as follows:

<u>2009 Calendar Quarter</u>	<u>Campaign Contributions</u>	<u>Fundraising Activities</u>
January – March	\$ 8,265	\$19,854
April – June	\$ 8,195	\$12,818
July – September	\$ 5,050	\$10,250
October – December	\$20,125	\$47,884

The quarterly disclosure reports filed during 2010 indicate that lobbyist-related campaign contributions to City candidates and officeholders totaled \$93,837, and that lobbying firms and organization lobbyists disclosed \$225,004 in fundraising activities for City candidates and elected officeholders. A breakdown of lobbyist campaign activity by quarter is as follows:

<u>2010 Calendar Quarter</u>	<u>Campaign Contributions</u>	<u>Fundraising Activities</u>
January – March	\$29,965	\$40,106
April – June	\$24,424	\$92,398
July – September	\$21,173	\$68,800
October – December	\$18,275	\$23,700

It should be noted that the definition of “fundraising” is limited to: (1) funds personally delivered to a City candidate; and (2) contributions a lobbyist has taken some credit for raising with the candidate or the candidate’s controlled committee.

Gifts

Although current laws prohibit gifts from lobbyists to City Officials with an aggregate value of more than \$10 in a calendar month, the quarterly disclosure reports filed with the City Clerk during 2009 and 2010 indicate that a few lobbyists were not aware of the gift limit and disclosed making gifts in excess of \$10 to City Officials. Because the lobbyists disclosed their activities, and because in each instance the gifts were of nominal value, the Commission opted to provide education in lieu of enforcement.

Education and Outreach

During 2009 and 2010, some lobbying firms and organization lobbyists identified clients and municipal decisions on their quarterly disclosure reports that were not included on their registration forms. As you know, disclosure of a new client or municipal decision on a quarterly report is not sufficient. Lobbying firms and organization lobbyists are also required to amend their registration forms within ten calendar days in order to ensure that information regarding their efforts to influence municipal decisions is promptly disclosed to the public. Because the firms and organizations disclosed the new clients and decisions on their respective quarterly reports, the Commission opted to forego enforcement, educate the respondents, and ask them to amend their registration forms.

In summary, the information disclosed by lobbying firms and organization lobbyists during 2009 and 2010 indicates that the City’s lobbying laws are creating the desired level of transparency regarding lobbying and related activities in the City of San Diego.

Stacey Fulhorst
Executive Director